



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JONATHAN E. FREEDMAN
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May 24, 2012

TO: Each Supervisor

FROM:  Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO EXECUTE AN AGREEMENT WITH YOU CAN HEALTH SERVICES AT A REDUCED MAXIMUM OBLIGATION AMOUNT FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to increase or decrease the contractual maximum obligations of Drug Medi-Cal (DMC) agreements, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

On June 7, 2011, your Board approved new DMC agreements with agencies referred to the County of Los Angeles by the State Department of Alcohol and Drug Programs, effective July 1, 2011 through June 30, 2014, at specified amounts, contingent upon the agency's submission and approval by the Department of Public Health (DPH) of all required documents, including a performance security bond. Since that time, several of the agencies, including You Can Health Services, have been unable to post the performance security bond that was contractually required given the originally approved funding level. Therefore, DPH has negotiated a reduced contractual maximum obligation with You Can Health Services which now enables the agency to meet the performance security bond requirement.

Under the delegated authority referenced above, I will therefore execute an agreement with You Can Health Services at the reduced contractual maximum obligation identified in Attachment A.

County Counsel has reviewed and approved the agreement as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:im
#02196

Attachment

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

SUBSTANCE ABUSE PREVENTION AND CONTROL

Drug/Medi-Cal Agreement

| | | | BOARD APPROVED | | | REVISED ACTUAL | | | Annual Funding Adjustment |
|---------------------------|-----|----------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|
| Agency | SUP | Modality | 2011-12 Funding | 2012-13 Funding | 2013-14 Funding | 2011-12 Funding | 2012-13 Funding | 2013-14 Funding | |
| 1 YOU CAN HEALTH SERVICES | 2 | ODF | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ (25,000) |
| | 2 | DCH | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ (25,000) |
| | | | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ (50,000) |